



September 23, 2011

TO: The Executive Secretary Section
FDIC Legal Division

FROM: Daniel Lonergan, Counsel
Legal Division

SUBJECT: Meeting with Nationwide Insurance to discuss Incentive-based Compensation Arrangements NPR, RIN 3064-AD56

On February 7, 2011, the FDIC approved proposed rules (“NPR”) to implement section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This interagency document was subsequently formally approved by the other Agency-participants (the Board of Governors of the Federal Reserve, the Office of the Comptroller of the Currency, the Securities and Exchange Commission, the National Credit Union Administration, and the Federal Housing Finance Agency) and the Notice of Proposed Rulemaking was proposed jointly in the Federal Register. 76 Fed. Reg. 21170 (April 14, 2011). Public comment was solicited until May 31, 2011.

The proposed rule would require the reporting of incentive-based compensation by a covered financial institution and prohibit incentive-based compensation arrangements that provide excessive compensation or that could expose the institution to inappropriate risks.

On August 11, 2011, representatives from Nationwide Insurance met for approximately one hour with members of FDIC staff. First Nationwide was familiar with the NPR and had filed a written comment with the FDIC and the other Agencies who jointly published the April 2011 proposal. They sought to reiterate the comments they had previously submitted to the Agencies.

Generally, participants addressed the issues raised in their comment letters, which expressed concerns with respect to the definitions used in the proposal, the specific requirements for larger institutions, and the proposed rule’s effective date.

Participants:

Jennifer A. Nickell-Thomas
Michael W. Mahaffey
Bridget F. Hagen
Gail Bernstein

First Nationwide
First Nationwide
First Nationwide
WilmerHale (counsel for above)

George Parkerson
Daniel Lonergan

FDIC, RMS
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